

1 February 1960

SUBJECT: Contract No. HF-32-27, "C" Improvement Program

TO: Contracting Officer


Your letter, DPD-8150-59 dated 7 December 1959, forwarded P-E's Final Settlement Claim and Termination Inventory for HF-32-27 and requested our comments on the percentages of completion used by the Contractor in its claim for fee. The following comments apply:

a. The basic statement of work and Amendment 1 were completed as directed and in a satisfactory manner. Both the prime and subcontractor are entitled to full fee.

b. Amendment 2 consisted of a 5-week effort to convert temporary fixes to permanent fixes and to conduct four simulated operational missions. Only one mission was run. The fixes proved to be unsatisfactory. We consider this amendment only 50 per cent complete for each contractor.

c. Amendment 3 was a 10-week effort of clean up and reliability improvement. Progress was so poor and disagreement between the contractors so prevalent that the effort was terminated on 16 December 1958. Even though 8 weeks were consumed, little or nothing was accomplished. We consider this amendment only 10 per cent complete for each contractor.

Please advise if additional information is desired in support of our comments.


Lt. Colonel, USAF

SWB/WES:maw

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